

Impact of DEQ Program Reductions

In accordance with House Bill 2, Section 10, the Montana Department of Environmental Quality has compiled the following information, which addresses the impacts of the FY 2003 budget reductions made by Executive Order on June 28, 2002 and during the August 2002 Special Legislative Session.

The impacts of the budget reductions are based on current staffing levels. The DEQ normally experiences approximately a 33% turnover rate in staffing. The turnover rate varies between programs and position. Thus, the impacts of the hiring freeze imposed as part of the budget reductions on future vacancies is not reflected below since the location of the vacancies is not known at this time. However, to the extent the DEQ experiences additional turnover, the impacts noted could change significantly due to the hiring freeze and the department's inability to fill vacant positions.

The reader should also note that the document below is limited to general fund reductions. Approximately 93% of the Department's funding comes from sources other than the General Fund such as federal funding, State Special Funds and bond proceeds and was therefore not impacted by the budget reductions.

Program: Directors Office/Central Management

Program Description: The Director's Office administers, manages, plans, and evaluates total agency performance. The Director's Office includes the Director's staff, the Legal Services Unit, the Personnel Office and the Information Services Unit. The Legal Services Unit provides in-house counsel, rule and legislative drafting and legal representation for the Department. The Personnel Office provides human resources management. The Centralized Services Division provides budgeting, accounting, procurement, contract management and information services support to the agency divisions. The Information Services Unit provides information and technology design and support.

Original Funding Level: \$404,355

Summary of Budget Reductions:

Executive Order: \$ 6,994

Special Session:

20% Pay Plan Reduction: \$ 1,659

Supplies: \$ 178

Global 1% General Fund Reduction: \$1,495

66.67% Equipment: \$0

Narrative of Impact: The impact of these reductions will be to reduce the level of contracted services for database development in the Information Services Unit. This will extend the length of time needed to convert existing data to the Oracle based system, thus delaying the operational efficiencies that will result from the conversion. Reductions were also made to the funds used to respond to a variety of legal challenges to the Department's permitting and bonding activities.

Program: Permitting and Compliance

Program Description: This division is responsible for issuing permits and monitoring compliance for projects relating to air, water, public water supplies, solid and hazardous waste, subdivisions, motor vehicle recycling, open cut, hard rock, coal and uranium mines, and applicable facilities under the Major Facility Siting Act. The division also prepares the appropriate environmental review documents to comply with the Montana Environmental Policy Act. The division conducts all facility inspections and reviews reports to determine compliance with permit conditions and the laws and regulations. If violations are discovered, the division provides the technical assistance needed to bring the facility back into compliance or prepares an enforcement request for further action by the Enforcement Division.

Original Funding Level: \$1,273,133

Summary of Budget Reductions:

Executive Order: \$88,194

Special Session:

20% Pay Plan Reduction: \$10,945

Supplies: \$1,128

Global 1% General Fund Reduction: \$12,165

66.67% Equipment: \$11,302

Narrative of Impact: These reductions equate to approximately 1.0 FTE (\$38,744) and the remainder in operating expenses (\$84,990). The impact of these reductions will be potential delays in issuing permits and completing inspections for compliance activities. The regulated industry seeking permits may be required to provide more information. The operating expense reductions consist of reductions in: reduced/delayed travel, contracted training and technical assistance, and office, field and safety supplies.

Program: Enforcement

Program Description: This division manages DEQ enforcement activities. These activities involve investigating violations, spills and citizen complaints that allege impacts to human health or the environment, processing enforcement cases, and monitoring compliance.

Original Funding Level: \$467,340

Summary of Budget Reductions:

Executive Order: \$46,730

Special Session:

20% Pay Plan Reduction: \$3,834

Supplies: \$962

Global 1% General Fund Reduction: \$4,430

66.67% Equipment: \$0

Narrative of Impact: Expenses for personnel services and operating have been reduced to address the budget cuts. These reductions will lower the DEQ's capability to investigate citizen complaints, collect evidence to document violations, evaluate spills that threaten the environment, and process formal

enforcement cases. Some investigations that normally require a field trip will not be conducted. Citizen complaints that do not allege a severe environmental problem will not be addressed. The development, processing and follow-up on formal enforcement cases will slow and formal enforcement actions will not be initiated for some violations. If formal enforcement slows, DEQ's ability to seek a penalty for violations older than two years may be lost due to the two-year statute of limitations of penalty assessment.

Program: Planning, Prevention and Assistance

Program Description: This division develops integrated air, energy, waste management and water plans to protect Montana's environmental resources. The division monitors ambient environmental conditions and maintains records and data describing the quality of Montana's environment. The division also encourages businesses, local governments and citizens to adopt new products, energy sources, technologies and practices that avoid environmental damage to the public's resources. This division also provides technical and financial assistance to small communities for drinking and wastewater systems, and to small businesses for help in cost effective compliance with environmental requirements. The division also designs and funds watershed restoration efforts.

Original Funding Level: \$2,180,714

Summary of Budget Reductions:

Executive Order: \$103,779

Special Session:

20% Pay Plan Reduction: \$14,751

Supplies: \$3,878

Global 1% General Fund Reduction: \$21,054

66.67% Equipment: \$1,976

Narrative of Impact: The division reduced its budgets by delaying the hiring of an accounting technician, and by eliminating the state match portion of the federal bioenergy program. Contract administration tasks will take longer, and several planned biofuel development efforts will not occur this fiscal year. Reductions in operating expenses will prevent some travel and supplies purchases. Some field assessment work and energy conservation outreach training will not occur this fiscal year.

Program: Remediation

Program Description: This division consists of three bureaus: Hazardous Waste Site Cleanup, Mine Waste Cleanup, and Technical Services. The REMD protects human health and the environment by preventing exposure to hazardous or harmful substances that have been released into soil, sediment, surface water, or groundwater. The REMD's responsibilities are to oversee investigation and cleanup activities at state and federal Superfund sites; to reclaim abandoned mine lands; to regulate, permit, and license underground storage tanks; to implement corrective actions at sites with leaking underground storage tanks; to administer the Petroleum Tank Release Cleanup Fund; and to

oversee remediation at sites where agricultural and industrial chemical spills have caused groundwater contamination.

Original Funding Level: \$0 general fund, \$300,000 State Special Funds

Summary of Budget Reductions:

Executive Order: \$0

Special Session: \$0

20% Pay Plan Reduction: \$0

Supplies: \$0

Global 1% General Fund Reduction: \$0

66.67% Equipment: \$0

State Special Funds: \$300,000

Narrative of Impact: No general funds are used in the Remediation Division thus there are no reductions in general fund spending within the division. Despite this, the Division is only filling positions as needed and approved by the OBPP, thus some vacancy savings will accrue in state special revenue funds.

Vacancies in permitting have also resulted in a decline in outreach activities to owners and operators of underground storage tank systems. Remediation is also cautiously approaching the need for travel, ensuring that fieldwork is appropriate for achieving remediation goals on sites that pose a risk to human health or the environment.

In House Bill 9, State Special Fund authority for the Gregory Mine reclamation was retracted. Since this project was originally below the funding cutoff, it was unlikely that cash would have been available from this source for this project. The project has proceeded with federal funding.

Also under House Bill 9, revenues to orphan share state special revenues were diverted for the short term. This diversion does not affect spending authority in the current biennium; it may delay the rate at which future expenditures from this fund can occur, if additional orphan share allocations are requested and approved.

Prioritization of Programs

The Department of Environmental Quality is currently working with the Office of Budget and Program Planning to outline priority programs in preparation for the upcoming legislative session. As these priorities are finalized and approved by the Budget Office and Governor Martz, they will be posted on this website to comply with the requirements of House Bill 2 of the August 2002 Special Legislative Session.